



BOULT ■ CUMMINGS  
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\*02 JAN 28 AM 10 13

January 25, 2002

OFFICE OF THE  
EXECUTIVE SECRETARY

David Waddell, Esq.  
Executive Secretary  
Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: *Complaint of Access Integrated Network, Inc. Against BellSouth  
Telecommunications, Inc.*  
Docket No. 01-00868

Dear David:

Enclosed are the original and thirteen copies of pages two and three of the Testimony of Joe Gillan. These pages were inadvertently omitted from the original filing made earlier today. I apologize for any inconvenience. The copy forwarded to BellSouth included these pages.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

*Henry Walker*  
Henry Walker *HW*

HW/nl  
Enclosure

1 the Research Advisory Council overseeing the National Regulatory Research  
2 Institute.

3  
4 In 1985, I left the Commission to join U.S. Switch, a venture firm organized to  
5 develop interexchange access networks in partnership with independent local  
6 telephone companies. At the end of 1986, I resigned my position of Vice  
7 President-Marketing/Strategic Planning to begin a consulting practice. Over the  
8 past twenty years, I have provided testimony before more than 35 state  
9 commissions, five state legislatures, the Commerce Committee of the United  
10 States Senate, and the Federal/State Joint Board on Separations Reform. I  
11 currently serve on the Advisory Council to New Mexico State University's Center  
12 for Regulation.

13  
14 **Q. On whose behalf are you testifying?**

15  
16 **A.** I am testifying on behalf of Access Integrated Networks, Inc., and  
17 ITC^DeltaCom, Inc. Each of these carriers competes with BellSouth in the  
18 provision of local exchange services to business customers in Tennessee.

19  
20 **Q. What is the purpose of your testimony?**

21  
22 **A.** The purpose of my testimony is to explain how the "BellSouth Select" program is  
23 a discriminatory, off-tariff arrangement that undermines the Authority's oversight

1 of BellSouth and harms competition. Tariffing is not a regulatory option to be  
2 used at BellSouth's convenience. The tariff obligation is a central element of the  
3 Tennessee regulatory regime, critical to the prevention of discrimination,  
4 anticompetitive conduct and, more recently, the promotion of local competition as  
5 well. The BellSouth Select program renders its tariffs irrelevant and, as a result,  
6 reduces the protections that tariffs are intended to provide.

7  
8 **Q. Please provide an overview of "BellSouth Select."**

9  
10 A. BellSouth Select is an un-tariffed system of rebates that awards customers  
11 "points" for the dollars they spend with BellSouth. These points can be redeemed  
12 for awards, credits and cash. In effect, these "points" provide a reduction (equal  
13 to 2.5%) into the tariffed rate of BellSouth's services, at least for those customers  
14 so fortunate as to have been invited to "enroll" in the program. At times, the  
15 BellSouth Select program offered "bonus points" to some customers, providing  
16 additional discounts off its tariff rates.<sup>1</sup>

17  
18 In addition to reduced rates, BellSouth provided customers enrolled in BellSouth  
19 Select with a preferential service-escalation process. Although BellSouth Select  
20 customers were to first try and resolve concerns through the maintenance and  
21 service procedures as BellSouth's "normal" (or, less politely, under-privileged)  
22 customers, members of BellSouth Select could then follow-up with a dedicated

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<sup>1</sup> For instance, BellSouth provided "bonus points" equal to three months free service.

**CERTIFICATE OF SERVICE**

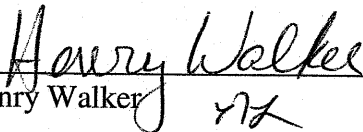
I hereby certify that a true and correct copy of the foregoing document was faxed and/or mailed, postage prepaid, to the following this 25<sup>th</sup> day of January, 2002.

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